

## **Historic, archived document**

Do not assume content reflects current scientific knowledge, policies, or practices.



1.9  
Ec 752 F

UNITED STATES DEPARTMENT OF AGRICULTURE  
Bureau of Agricultural Economics  
Washington

F.S.  
R-37

December 4, 1931

FOREIGN NEWS ON RICE

-----  
THE MARKET FOR RICE IN BRITISH COLUMBIA

All rice consumed in Canada is imported, and as a market for this commodity British Columbia is much more important than its population of 600,000 at first would indicate, according to a report from Consul Harold S. Tewell at Vancouver. This situation is easily explained, however, by the fact that Vancouver is one of the two leading rice-milling centers in the Dominion, supplying almost entirely the demand of the three million persons comprising the population of the four western provinces, as well as an appreciable part of the demand in Eastern Canada.

Perhaps the importance of British Columbia as a rice market also may be attributed in some measure to its large Oriental population, 70 per cent of the 55,455 persons of Chinese and Japanese origin resident in the Dominion being domiciled in this province. In fact, the population of Japanese origin in British Columbia is 15,006, but 862 less than the entire number of Japanese in Canada; and while persons of the Chinese race number 39,587 for the entire country, those in British Columbia number 23,533, or about 60 per cent.

The fact that rice-milling has become an established industry at Vancouver undoubtedly indicates a large domestic consuming population as well as the existence of other factors that contribute to its successful operation. Among these factors may be cited geographical position and tariff protection. Situated on a harbor open all year to ocean vessels that ply regularly between Pacific Coast ports and those countries from which the world derives its principal supplies of rice, Vancouver is afforded transportation facilities, and services incidental thereto, that are not likewise available to any other port and manufacturing center in the Dominion. In addition to these natural advantages, in recent years the growth of waterborne imports from Europe and Asia for consumption in Canadian territory west of the Great Lakes has encouraged the development of Vancouver as a wholesale and manufacturing distributing point for that region, replacing in a large measure similar services previously provided by eastern cities. In the last decade Vancouver has become established in the trade of Western Canada as the distributing source of an increasing volume of imported products. The development of this trade route no doubt has facilitated the sale in that market of rice imported and milled at Vancouver.

Were it not for the import duty of one cent per pound applicable to cleaned and partially milled rice it is probable that this industry could not profitably compete with rice millers in other countries, particularly countries of production. Uncleaned, unhulled and paddy rice, however, may be admitted free of duty from all sources. It seems, therefore, that the

present rate is sufficient protection for local industry in view of the comparatively low price at which this bulky commodity ordinarily sells. Although official statistics indicate total Canadian imports of 17,300,300 pounds of cleaned rice valued at \$633,348 in the calendar year 1930 (16,504,000 pounds in 1929) it is asserted that little milled rice is imported into British Columbia. Government trade returns set forth the Canadian imports of uncleaned and unhulled rice at 40,832,300 pounds valued at \$1,127,805 in the calendar year 1930, as compared with 41,018,300 pounds valued at \$1,230,713 during the previous year. The chief sources of such imports are set forth in the following table:

RICE (UNHULLED): Amount and value of imports into Canada, from specified countries, 1929 and 1930

Country of origin	1929		1930	
	Amount	Value	Amount	Value
	Pounds	Dollars	Pounds	Dollars
United States..	14,282,000	386,740	14,585,700	390,906
British India..	8,280,300	192,659	10,496,300	219,217
Hongkong.....	4,727,800	145,319	6,067,100	172,091
France.....	2,373,000	71,007	59,600	1,218
Japan.....	5,035,800	247,927	4,552,500	206,396
Mexico.....	5,170,100	136,850	509,400	15,141
Netherlands....	1,117,300	29,203	-	-

#### Demand and supply in British Columbia

Waterborne imports of rice into British Columbia during the calendar year 1930 amounted to 25,414,000 pounds, according to available official statistics. Although this figure may indicate in a general way the demand of the marketing territory tributary to the milling industry at Vancouver, it is known that such imports were supplemented by imports of unascertainable quantities by rail from the United States. It is probable, however, that British Columbia imported considerably more than half the total Canadian imports of unmilled rice in 1930, sources and quantities, as compiled from official shipping records being as follows: United States 5,369 short tons; China, 4,296 tons; Japan, 2,002 tons; Siam, 840 tons; Italy, 123 tons; West Indies, 77 tons.

The demand for rice in British Columbia and the prairie markets ordinarily supplied by Vancouver millers is somewhat diversified. The Chinese prefer rice similar to that produced in their own country, that is long or medium grain rice. Most of the rice consumed by Chinese in British Columbia, however, is probably not Chinese-grown rice but rice from Southeastern Asia, imported through Hongkong or from India. The Japanese are said to insist upon an unpolished rice of high quality, chiefly of the Japan variety (short grain) and are equally well-disposed toward imports from their own land and similar varieties from the United States (California rice), cost being the principal determining factor as market prices vary from time to time. It is said that the average per capita consumption of rice by Japanese residents of British Columbia is 50 pounds per month. In fact one of the principal rice dealers in Vancouver states that his sales of unpolished rice to the Japanese trade in this province average at least 200 short tons monthly.

The white population of British Columbia and adjacent trade territory, however, favors a polished rice, residents of the inland districts seemingly preferring varieties produced principally in the southern states of the United States, while those on the coast have indicated no defined taste. In their diet the latter are said to include without prejudice the rice produced in western states as well as that from any other part of the world. In general, the annual consumption of rice by the average white resident in this district is said not to be large, the demand among logging and mining camps and deep sea fishermen accounting for a large portion of the sales of polished rice in British Columbia.

#### Buying methods

With the possible exception of rice for consumption exclusively by the Chinese population, it may be said that price is the predominant factor that determines the sources of imports of that commodity for this market. The United States, it is declared, invariably has held first place in that respect. Not only do imports from Pacific Coast and Gulf ports enjoy water freight rates competitive with those applicable to trans-Pacific shipments, but they may be ordered and delivered with greater facility and a smaller outlay of capital for a shorter period of time than purchases from other sources. The disturbance of any one or combination of these factors, it is said, is sufficient to divert purchases from the United States to another market.

According to importers, payment for rice purchased in the United States invariably is by sight draft against documents, while payment for purchases in the Orient is accomplished by 60-day draft.

#### Sales methods

Rough rice usually is said to be imported in bags of 100 pounds each, although a portion of that coming from the United States is received in bags of 150 pounds and 185 pounds. After milling, rice is sold direct to wholesale and retail dealers, in bulk, in bags of 100 pounds and 50 pounds. Invariably rice is sold at retail in paper bags containing from one to five pounds each. Experiments are said to have resulted in discarding cardboard cartons as containers for rice inasmuch as the slight increase in cost seemed to be a deterrent to sales.

Rice milling concerns in Vancouver buy their supplies direct from the sources of production and market the manufactured product through salesmen who cover Western Canada, the usual outlets being wholesale grocers and large retail dealers. According to report, no rice is imported into this district except by millers. The heaviest imports are recorded in the period from November to April, in preparation for the summer demand in the prairie provinces and in logging and mining camps.

Dealers profess to foresee little prospect of an increase in the consumption of rice in Western Canada. The demand is said to be less than normal, particularly at this time, since lumbering and mining operations are greatly curtailed because of world-wide market conditions. With the

exception of the production of a small quantity of rice flour, that cereal is not further manufactured than cleaning and polishing in British Columbia. Other manufactured rice and rice products, chiefly breakfast foods, are shipped from eastern provinces.

#### Customs tariff

The Canadian customs tariff provides a duty of \$1.00 per hundred pounds upon manufactured rice imported under the general tariff, applicable to imports from the United States and China. Rice imported from Japan is dutiable at the rate of 90 cents per hundred pounds. In this connection, jute bags are defined as usual containers for rice and the weight of such containers is not included in the weight for duty purposes. In addition to the duty, imports of rice are subject to a general sales tax of 4 per cent and a special sales tax of one per cent, both computed upon the duty-paid value (value for customs purposes plus the duty).

- - - - -0- - - - -